

SENATE BILL 526

Q7

0lr1706

SB 295/06 – B&T

By: **Senators Brochin and Kittleman**

Introduced and read first time: February 3, 2010

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Estate Tax – Unified Credit Effective Exemption Amount and**
3 **Deduction for State Death Taxes**

4 FOR the purpose of repealing a certain limit on the unified credit used for determining
5 the Maryland estate tax; repealing a requirement that the Maryland estate tax
6 be determined without regard to a certain deduction allowed under the federal
7 estate tax; providing for the application of this Act; and generally relating to the
8 Maryland estate tax.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 7–309(a)
12 Annotated Code of Maryland
13 (2004 Replacement Volume and 2009 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 7–309(b)(1), (2), and (3)
17 Annotated Code of Maryland
18 (2004 Replacement Volume and 2009 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article – Tax – General**

22 7–309.

23 (a) Notwithstanding an Act of Congress that repeals or reduces the federal
24 credit under § 2011 of the Internal Revenue Code, the provisions of this subtitle in
25 effect before the passage of the Act of Congress shall apply with respect to a decedent

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 who dies after the effective date of the Act of Congress so as to continue the Maryland
2 estate tax in force without reduction in the same manner as if the federal credit had
3 not been repealed or reduced.

4 (b) (1) Except as provided in paragraphs (2) through (7) of this subsection,
5 after the effective date of an Act of Congress described in subsection (a) of this section,
6 the Maryland estate tax shall be determined using:

7 (i) the federal credit allowable by § 2011 of the Internal
8 Revenue Code as in effect before the reduction or repeal of the federal credit pursuant
9 to the Act of Congress; and

10 (ii) other provisions of federal estate tax law, **INCLUDING THE**
11 **APPLICABLE UNIFIED CREDIT ALLOWED AGAINST THE FEDERAL ESTATE TAX**, as
12 in effect on the date of the decedent's death.

13 (2) Except as provided in paragraphs (3) through (7) of this subsection,
14 if the federal estate tax is not in effect on the date of the decedent's death, the
15 Maryland estate tax shall be determined using:

16 (i) the federal credit allowable by § 2011 of the Internal
17 Revenue Code as in effect before the reduction or repeal of the federal credit pursuant
18 to the Act of Congress; and

19 (ii) other provisions of federal estate tax law, **INCLUDING THE**
20 **APPLICABLE UNIFIED CREDIT ALLOWED AGAINST THE FEDERAL ESTATE TAX**, as
21 in effect on the date immediately preceding the effective date of the repeal of the
22 federal estate tax.

23 (3) [(i) Notwithstanding any increase in the unified credit allowed
24 against the federal estate tax for decedents dying after 2003, the unified credit used
25 for determining the Maryland estate tax may not exceed the applicable credit amount
26 corresponding to an applicable exclusion amount of \$1,000,000 within the meaning of §
27 2010(c) of the Internal Revenue Code.

28 (ii) The Maryland estate tax shall be determined without regard
29 to any deduction for State death taxes allowed under § 2058 of the Internal Revenue
30 Code.

31 (iii) Unless the federal credit allowable by § 2011 of the Internal
32 Revenue Code is in effect on the date of the decedent's death, the federal credit used to
33 determine the Maryland estate tax may not exceed 16% of the amount by which the
34 decedent's taxable estate, as defined in § 2051 of the Internal Revenue Code, exceeds
35 **[\$1,000,000] THE APPLICABLE EXCLUSION AMOUNT CORRESPONDING TO THE**
36 **APPLICABLE UNIFIED CREDIT UNDER PARAGRAPH (1) OR (2) OF THIS**
37 **SUBSECTION.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2010, and shall be applicable to decedents dying after December 31, 2009.